

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7177**

**BILL NUMBER:** HB 1390

**DATE PREPARED:** Jan 4, 2001

**BILL AMENDED:**

**SUBJECT:** Delinquent Property Owners.

**FISCAL ANALYST:** Bob Sigalow

**PHONE NUMBER:** 232-9859

**FUNDS AFFECTED:**      **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** *Tax Sales:* This bill provides that redemption of certain property sold at a tax sale must occur within 180 days after the date of the sale.

*Unsafe Buildings:* The bill also increases the civil fine and civil forfeiture amounts that may be imposed against an owner of an unsafe building from \$1,000 to \$10,000.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Tax Sales:* Under current law, a taxpayer may redeem property that has been sold for nonpayment of property taxes during the specified redemption period. If not redeemed within the redemption period, the county auditor must issue a deed to the purchaser. For property sold at a regular sale, the redemption period is one year. This bill would reduce the one-year redemption period to six months.

A shortened redemption period could entice more bidders to purchase tax sale property. This bill could help to get taxable property back onto the tax rolls sooner and could reduce long-term county collection expenses.

*Unsafe Buildings:* Under current law, a county enforcement authority may issue an order requiring action relative to any unsafe premises. The required action may include:

- 1) Vacating the building;
- 2) Sealing the building against intrusion;

- 3) Extermination;
- 4) Removal of trash, debris, or fire hazardous material;
- 5) Repair or rehabilitation of the building;
- 6) Removal of part of the building;
- 7) Removal of the building; and
- 8) Requiring, for a building that will be sealed for more than 90 days:
  - a) Sealing against intrusion and the effects of weather;
  - b) Making exterior improvements so the building is compatible with other buildings in the area; and
  - c) Continuing maintenance and upkeep of the building and premises.

Currently, if the property owner fails to comply with the order, the owner may face a civil penalty of up to \$1,000 imposed by the county enforcement authority or a court. This bill would raise the limit from \$1,000 to \$10,000. Civil penalties for unsafe buildings are deposited into the local Unsafe Building Fund.

The increase in the maximum penalty could generate a small increase in penalties. The possibility of being assessed a larger penalty could also result in better compliance by the owners of unsafe buildings.

According to the enforcement authority in one large county, the penalty rarely reaches \$1,000. The penalties in this county usually range between \$200 and \$500.

**State Agencies Affected:**

**Local Agencies Affected:** County Treasurers; Local unsafe building enforcement authorities.

**Information Sources:** Tim McMillan, Marion County Health and Hospital Corp., 221-2173.